

DEPARTMENT OF THE INTERIOR
FY 1998 Interior Appropriations Bill
Effect of House Action

Bureau/Office: Fish and Wildlife Service
Appropriation: Natural Resource Damage Assessment
and Restoration Fund
Activity/Subactivity: Program Management

(Dollars in Thousands)

Item	FY 1997 Enacted	FY 1998		
		President's Budget	House Level	Compared to Pres. Budget
Program Management	834	1,418	918	-500

House Action: House decreased Program Management by \$500,000 and included report language precluding the Department from implementing the newly proposed management structure.

House Report Statement: "The Committee recommends \$4,128,000 for the Natural Resource Damage Assessment Fund, a decrease of \$500,000 below the budget estimate and an increase of \$128,000 above the 1997 level. The Committee has not agreed to the new management structure proposed in the budget. The proposed change would create a new headquarters bureaucracy and the Committee asks the Service to rethink its management approach for the fiscal year 1999 budget." (p. 26)

Effect of House Action: The NRDA receipts for the Departmentwide program have grown eleven-fold since FY 1992, due to the expansion in the number of DOI bureaus with active caseloads and an increase in the number of multi-bureau and multi-trustee sites. This has resulted in more numerous interactions with Federal and non-Federal trustees and increased settlement complexity, which must be matched by sufficient program management resources and an efficient management structure. Both are postponed indefinitely as a result of the House action.

House action would severely constrain the Department's ability to provide appropriate levels of oversight and accountability for the growing NRDA activity within Interior. Denial of the funding increase will result in insufficient resources for activities necessary to ensure Departmentwide consistency and efficient use of resources. Inability to implement the improved management structure will result in maintenance of a decision making and management structure that is inefficient and unsuited to the scale and complexity of the current and maturing NRDA program.

The proposed change would not create a new headquarters bureaucracy. It will streamline and focus decision making by increasing the direct involvement of senior career managers and clarifying bureau

interactions. The addition of a single senior manager will provide necessary focus for an increasingly complex and growing program.

The Committee's guidance to rethink its management approach for the FY 1999 budget will have the effect of postponing management improvement for a full year. This management proposal represents the Department's best judgment on how to most effectively manage increasingly complex damage assessment and restoration settlements. Since the Service was directly involved in developing the proposed management changes, and strongly wishes to move forward with the unanimous implementation decision, this delay is unwarranted.

The NRDA program currently operates in a highly decentralized fashion, with bureaus and offices managing sites and cases primarily at the field level. Excellent site assessments and case management decisions have resulted in substantial funding for restoration.

There is a corresponding need to develop Departmentwide consistent approaches to ensure efficient allocation of NRDA funds, ensure overall program accountability, quickly and effectively respond to significant management or policy issues, develop policies and guidelines for program implementation, respond to Congressional and outside inquiries, efficiently use Bureau resources and expertise, and gather appropriate program information, including information needed for performance-based assessment of progress.

NRDA appropriations for program management were reduced by 40% between FY 1995 and FY 1996. The reduction was continued in FY 1997. These reductions were offset in FY 1996 and FY 1997 through the use of program management carryover funds, resulting from the relatively slow growth in program management spending in earlier years, as bureaus focused on developing case management capabilities. However, these carryover balances will be fully obligated early in FY 1998. Thus, denial of the requested increase will result in real reductions in program management, at a time when program complexity is growing.

Department Position: Provide the additional \$500,000 in the President's Budget and support implementation of the proposed management improvements.